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## *Senate*

### HOPE FOR CHILDREN ACT

Mr. CARPER. Mr. President, I am not interested in casting aspersions today at the work of our Republican friends with respect to the economic recovery package. I think, for the most part, they have entered into this in good faith. Senator GRASSLEY of Iowa has worked hard, as has Senator Baucus of Montana, to try to craft a consensus package that we can all agree to--or at least 60 of us can--which would have a beneficial effect. I wanted to speak briefly and reflect back for a moment on the principles that we adopted on a bipartisan basis last fall as we approached the creation of an economic recovery package.

There are really three principles that come to mind. One is that whatever we came up with should be temporary in nature; second, there should truly be stimulative of our economy; three, it should not exacerbate long term the budget deficit of our Nation.

I can stand here along with any of our colleagues, certainly the Presiding Officer, and think of any number of items I would like to include in a stimulus package that are not included in the four-part proposal put forth by the majority leader.

He has suggested a 13-week extension in unemployment insurance benefits; a tax rebate for those who did not receive a tax rebate previously and who are very likely to spend that money sooner rather than later; bonus depreciation incentive for businesses to renew capital investment, which has been lacking for the last year or more now; and fiscal relief for States with respect to their health care costs.

My State of Delaware and other States are having a very difficult time as the rolls of the unemployed rise, as the numbers of people who are eligible for Medicaid rise, and States need help with that.

As I look through that list of four proposals Senator DASCHLE has put forward, I see in those proposals ideas that are essentially temporary, that are stimulative, and do not exacerbate our fiscal situation long term.

If we are going to do something in this regard--we have been dancing this dance for a long time--we need to get on with it. I applaud our leader for bringing it up early on, but if we do not do something soon, it is really too late.

When we were in economic recovery and expansion during the 1990s, a lot of people thought it was going to last forever. We know it did not. Similarly, people think that when we are in a recession it will last forever, too, and we know from history that recessions do not last forever either. The history of recessions since World War II is that they are generally a year and a half long; most are 12 months in duration. We have been in this one for almost 12 months.

I think one of the reasons the landing has been as soft as it has been--and I know it has not been for everyone--one of the reasons this recession is not as deep as it otherwise might have been is because of some of the most aggressive monetary policy by the Federal Reserve I have witnessed in my lifetime, maybe the most aggressive policy which is now being felt in our economy.

Second, we have seen prices drop precipitously from a year ago. It is not just the price of gasoline we put in our cars, trucks, and vans, but it is the price of the heating oil we are using to heat our homes this winter. Even natural gas prices are down dramatically. We feel good about those things psychologically, but also they have a material effect on our economic well-being and our pocketbooks.

A third piece that is kicking in to help lessen the severity of the recession is the amount of spending we are doing. We are spending a lot of money, and we are spending it, for the most part, on the right things--the war in Afghanistan, the war against terrorism around the world, trying to help the folks of New York recover and rebuild, trying to make sure the airline industry does not end up in a real depression with massive layoffs and closings.

Those three things taken together--aggressive monetary policy by the Fed, much lower energy prices, and the deficit spending we are already doing--combine to help, if not lift, the economy to at least reduce the depth to which it is dropping.

I am personally bullish about the economy. I think there is a pretty good chance come spring we will be coming out of this recession. Some have said it will be a jobless recovery and maybe mirror what we had in 1990, 1991, and 1992. My sense is we will probably be coming out of it sooner rather than later.

The Federal Reserve will meet next week. They will debate whether or not to lower interest rates again by maybe another quarter of a percent. I have no crystal ball. I am not sure what they are going to do. They can do that or make no change at all.

The time will come when the concerns of the recession will give way to inflationary concerns. If we wait too long for this

stimulus package, we are going to put ourselves in the position of instead of being in concert with the Federal Reserve's monetary policy where we pass a package that supports what the Federal Reserve does, we are going to be offering a package that will stimulate the economy which is already on the rebound and the Federal Reserve's concerns will move to not so much how do we get the economy moving, but how do we dampen down inflationary expectations.

I said to our leader any number of times: No bill is better than a bad bill with respect to economic recovery. What he has proposed is not a bad bill. I believe it is quite a good proposal. As I said earlier, I can certainly offer changes that I would like to see adopted that might make it better. Frankly, so could our Republican friends as well.

This bare-bones approach works for me, but more important, I believe it will work for our country. It will provide the insurance policy along with the Federal Reserve monetary policy, along with the energy price drops, along with the spending we are already doing to make sure when we do get into this spring that the economic recovery we are hoping for will actually materialize.

We have been joined in the Chamber by Senator Baucus of Montana, chairman of the Finance Committee. I spoke of him when he was not in the Chamber. I now thank him in person. No one has put more time, energy, and effort into trying to develop a package with respect to the economic recovery of our country than Senator Baucus. I wanted to express my thanks to him for the great work he has done.

My hope is we can move from this proposal today and actually adopt it, but if we cannot and if we do not, I want him to know he has my respect and certainly my thanks.